PROCEEDINGS
of
THE TRAVANCORE SRI MULAM ASSEMBLY

(*OFFICIAL REPORT*)

SECOND ASSEMBLY.

SEVENTH SESSION—1940/1115.

Tuesday, the 23rd July 1940/8th Karkatakam 1115.

The Assembly met in Joint Session with the Sri Chitra State Council in the Legislative Chamber, Public Offices, at Eleven of the Clock, the President Sachivottama Sir C. P. Ramaswami Aiyar, K. C. I. E., LL. D., Dewan of Travancore, presiding.

Lieut. Col. G. P. Murphy, Resident for the Madras States, who arrived at 11-30 A. M., and His Highness the Maharaj Rana of Dholpur, who arrived at 11-40 A. M., were seated on the Dais.

MR. S SUNDARARAJAN (*Financial Secretary to Government*):

Sir,

When my predecessor presented the budget estimates of the current year before this House last July, there was an atmosphere of calm and contentment over the country following a period of political unrest and agitation. The budget which surged with the optimism of the day was accepted on all hands as a prosperity budget and voted as such by the House.

2. But even in that atmosphere of calm and contentment a dark cloud was forming itself in the distant west. It has since assumed gigantic proportions and has burst with a violence so terrible and so devastating that it has had repercussions on all sides of our activities.

3. Our entire economic structure and our sea-borne trade in particular have received a rude shock. The trade with the United Kingdom and neutral countries has practically come to a standstill. The trade with other parts of the British Empire has followed suit. Even otherwise our trade in cocoanut and

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[Mr. S. Sundararajan.]

coir had been declining and the present situation has accentuated the position. Nearly 3,00,000 persons employed in the work are affected and 25,000 are without employment.

4. The progress of our capital works, on the revenue anticipations on which so much depends has also been retarded. Material and machinery indented for from outside India have either not arrived or arrived so late that the progress of works is held up. Tendency to profiteering by pushing up prices under war conditions has manifested itself, although it has luckily been brought under control in the case of necessaries. On the whole the combined result of all these has been to upset our national economy for the moment.

5. But there is also another side to the picture. The dislocation of the economic structure and the need for making up for the loss of markets have developed a spirit of enquiry into the why and wherefore of the question and pointed to the need for a closer investigation of our economic problems and for a system of planned economy. Above all the presence of a common danger has brought the country together as one man to rally round His Highness the Maharaja to put up a supreme effort in assisting His Majesty's Government in bringing the war to a victorious conclusion.

6. The finance of the country which is the pulse of the body politic will and does, as may naturally be expected, reflect the anxiety of the times. But let me not be understood to be preparing the House for an adversity budget. The budget which is only set in the framework shaped by the world conditions, does in the main reflect, as it should, the hopes and aspirations of the times and the people in so far as they relate to this country.

Actuals of 1114 M. E.

7. With the background so prepared, I proceed now to narrate the final tale which the year M. E. 1114 has to unfold, as the closing point of the year was the starting point of the next year, the revised estimates of which I shall presently place before you. We anticipated a revenue receipt of Rs 256·27 lakhs and a revenue expenditure of Rs 257·08 lakhs thus budgeting for a deficit of Rs ·81 of a lakh. There was a slight worsening of the position and we had to face a deficit of Rs 2·04 lakhs, a result which was brought about by revenue falling short of our anticipations by Rs 2·45 lakhs, counterbalanced in part by a reduction of Rs 1·22 lakhs in the revenue expenditure. The single factor which was responsible for worsening of the revenue position was perhaps the generous remission ranging from as much as 50 to 100 per cent. in the

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